

BANKS TOWNSHIP, ANTRIM COUNTY

ELLSWORTH, MICHIGAN

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Banks Township	County Antrim
Audit Date 3/31/04	Opinion Date 6/3/04	Date Accountant Report Submitted to State: 9/29/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C.			
Street Address 134 W. Harris Street		City Cadillac	State MI
Accountant Signature <i>[Signature]</i>		ZIP 49601	Date

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

MARCH 31, 2004

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BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

MARCH 31, 2004

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Baird, Cotter and Bishop, P.C.

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June 3, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Banks Township
Antrim County
Ellsworth, Michigan

We have audited the accompanying general-purpose financial statements of Banks Township, Antrim County, Ellsworth, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B., the Township's policy is to prepare its general-purpose financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of Banks Township, Antrim County, Ellsworth, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid for the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and in our opinion, it is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY</u>
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>FUND TYPE</u>
		<u>REVENUE</u>	<u>AGENCY</u>
<u>ASSETS AND OTHER DEBITS</u>			
<u>ASSETS</u>			
Cash			
Commercial Account	\$ 12,000	\$ 0	\$ 0
Money Market Account	101,660	20,858	236,127
Certificates of Deposit	50,749	0	0
Taxes Receivable	4,583	13,805	0
Land and Buildings	0	0	0
Machinery and Equipment	0	0	0
Public Safety Vehicles	0	0	0
Office Furniture and Fixtures	0	0	0
<u>OTHER DEBITS</u>			
Amount Available in Fire Fund	0	0	0
Amount to be Provide for Retirement of General Long-Term Debt	0	0	0
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 168,992</u>	<u>\$ 34,663</u>	<u>\$ 236,127</u>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Deferred Revenue	\$ 4,583	\$ 13,805	\$ 0
Fire Truck Contract Payable	0	0	0
Total Liabilities	<u>\$ 4,583</u>	<u>\$ 13,805</u>	<u>\$ 0</u>
<u>EQUITY</u>			
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 0
Balance			
Reserved for			
Fire Protection	0	19,175	0
Liquor Law Enforcement	0	1,574	0
Road Improvements	0	109	0
Unreserved	164,409	0	236,127
Total Equity	<u>\$ 164,409</u>	<u>\$ 20,858</u>	<u>\$ 236,127</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 168,992</u>	<u>\$ 34,663</u>	<u>\$ 236,127</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

ACCOUNT GROUPS			
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)	
\$	0	\$	0
	0	\$	12,000
	0		358,645
	0		50,749
	0		18,388
394,315	0		394,315
182,889	0		182,889
684,216	0		684,216
28,032	0		28,032
0	19,175		19,175
0	180,825		180,825
<u>\$ 1,289,452</u>	<u>\$ 200,000</u>	<u>\$</u>	<u>1,929,234</u>
\$	0	\$	18,388
0	200,000		200,000
<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$</u>	<u>218,388</u>
\$ 1,289,452	\$ 0	\$	1,289,452
0	0		19,175
0	0		1,574
0	0		109
0	0		400,536
<u>\$ 1,289,452</u>	<u>\$ 0</u>	<u>\$</u>	<u>1,710,846</u>
<u>\$ 1,289,452</u>	<u>\$ 200,000</u>	<u>\$</u>	<u>1,929,234</u>

The accompanying notes are an integral part of these financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMORANDUM ONLY)</u>
<u>RECEIPTS</u>			
Taxes	\$ 80,208	\$ 128,802	\$ 209,010
Licenses and Permits	4,897	0	4,897
State Grants	93,128	2,038	95,166
Charges for Services	1,738	500	2,238
Interest and Rents	60,181	361	60,542
Other Receipts	606	10,408	11,014
Total Receipts	<u>\$ 240,758</u>	<u>\$ 142,109</u>	<u>\$ 382,867</u>
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 13,254	\$ 0	\$ 13,254
General Government			
Supervisor	25,640	0	25,640
Election	300	0	300
Attorney	4,191	0	4,191
Clerk	12,670	0	12,670
Board of Review	971	0	971
Treasurer	16,064	0	16,064
Data Processing	3,230	0	3,230
Building and Grounds	57,144	0	57,144
Cemetery	17,578	0	17,578
Public Safety	225	462,032	462,257
Public Works	10,317	109,500	119,817
Health and Welfare	14,711	0	14,711
Community and Economic Development	20,838	0	20,838
Recreation and Cultural	5,846	0	5,846
Other Functions	10,317	0	10,317
Total Disbursements	<u>\$ 213,296</u>	<u>\$ 571,532</u>	<u>\$ 784,828</u>

The accompanying notes are an integral part of these financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMORANDUM ONLY)</u>
Excess of Receipts Over (Under) Disbursements	\$ 27,462	\$ (429,423)	\$ (401,961)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	\$ 0	\$ 109,372	\$ 109,372
Operating Transfers Out	(109,372)	0	(109,372)
Loan Proceeds	0	200,000	200,000
Total Other Financing Sources (Uses)	\$ (109,372)	\$ 309,372	\$ 200,000
Excess of Receipts and Other Sources (Uses) Over (Under) Disbursements	\$ (81,910)	\$ (120,051)	\$ (201,961)
<u>BALANCE - April 1, 2003</u>	246,319	140,909	387,228
<u>BALANCE - March 31, 2004</u>	<u>\$ 164,409</u>	<u>\$ 20,858</u>	<u>\$ 185,267</u>

The accompanying notes are an integral part of these financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLISWORTH, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>						
Taxes	\$ 80,295	\$ 80,208	\$ (87)	\$ 176,830	\$ 128,802	\$ (48,028)
Licenses and Permits	4,895	4,897	2	0	0	0
State Grants	93,050	93,128	78	2,037	2,038	1
Charges for Services	1,570	1,738	168	500	500	0
Interest and Rents	60,250	60,181	(69)	360	361	1
Other Receipts	605	606	1	10,408	10,408	0
Total Receipts	\$ 240,665	\$ 240,758	\$ 93	\$ 190,135	\$ 142,109	\$ (48,026)
<u>DISBURSEMENTS</u>						
Legislative	\$ 13,050	\$ 13,254	\$ (204)	\$ 0	\$ 0	\$ 0
Township Board						
General Government						
Supervisor	26,400	25,640	760	0	0	0
Election	300	300	0	0	0	0
Attorney	4,200	4,191	9	0	0	0
Clerk	13,000	12,670	330	0	0	0
Board of Review	971	971	0	0	0	0
Treasurer	16,200	16,064	136	0	0	0
Data Processing	5,500	3,230	2,270	0	0	0
Building and Grounds	57,150	57,144	6	0	0	0

The accompanying notes are an integral part of these financial statements.

	GENERAL FUND			SPECIAL REVENUE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
Cemetery	17,600	17,578	22	0	0	0
Public Safety	300	225	75	276,115	462,032	(185,917)
Public Works	10,335	10,317	18	109,500	109,500	0
Health and Welfare	15,500	14,711	789	0	0	0
Community and Economic Development	20,900	20,838	62	0	0	0
Recreation and Cultural	5,980	5,846	134	0	0	0
Other Functions	10,329	10,317	12	0	0	0
Total Disbursements	\$ 217,715	\$ 213,296	\$ 4,419	\$ 385,615	\$ 571,532	\$ (185,917)
Excess of Receipts Over (Under) Disbursements	\$ 22,950	\$ 27,462	\$ 4,512	\$ (195,480)	\$ (429,423)	\$ (233,943)
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 109,372	\$ 109,372	\$ 0
Operating Transfers Out	(109,400)	(109,372)	28	0	0	0
Loan Proceeds	0	0	0	0	200,000	200,000
Total Other Financing Sources (Uses)	\$ (109,400)	\$ (109,372)	\$ 28	\$ 109,372	\$ 309,372	\$ 200,000
Excess of Receipts and Other Sources (Uses) Over (Under) Disbursements	\$ (86,450)	\$ (81,910)	\$ 4,540	\$ (86,108)	\$ (120,051)	\$ (33,943)
<u>BALANCE - April 1, 2003</u>	246,319	246,319	0	140,909	140,909	0
<u>BALANCE - March 31, 2004</u>	\$ 159,869	\$ 164,409	\$ 4,540	\$ 54,801	\$ 20,858	\$ (33,943)

The accompanying notes are an integral part of these financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Banks Township is a general law township located in Antrim County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Township has the following fund types and account groups:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for these funds which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund types:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the Township makes and distributes for others in an agency capacity.

Account Groups. The General Fixed Asset Account Group is used to account for fixed assets of the Township. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

The investment policy adopted by the Township states that the treasurer may invest Township funds in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank but only if the bank, savings and loan association, or credit union meets all criteria as a depository of public funds contained in state law.

2. Receivables and Payables

Under the modified cash basis of accounting, the only noncash asset recorded is a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received.

3. Fixed Assets

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

4. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

5. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

6. Use of Estimates

This presentation of financial statements on the modified cash basis of accounting requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reported period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 31, 2003, or as amended by the Township Board from time to time throughout the year.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

B. Excess of Expenditures Over Appropriations

Total expenditures in the Fire Fund of \$438,858 exceeded appropriations of \$252,815 by \$186,043. This overexpenditure was funded by fire truck loan proceeds of \$200,000.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

A total of \$322,842 of the Township's \$422,842 of total investments and deposits are in accounts which exceed Federal Depository Insurance and are uncollateralized. The remaining \$100,000 is insured. At year-end, the carrying amount of the Township's deposits was \$421,394 and the bank balance was \$422,842.

The carrying amount of the Township's deposits at year-end are shown below:

Charlevoix State Bank	
Charlevoix, Michigan	
Commercial Accounts	\$ 12,000
Money Market Accounts	358,645
Certificates of Deposit	<u>50,749</u>
Total	<u>\$ 421,394</u>

B. Fixed Assets

Activity in the general fixed assets account group for the Township for the year ended March 31, 2004, was as follows:

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
Land and Buildings	\$ 354,825	\$ 39,490	\$ 0	\$ 394,315
Machinery and Equipment	174,234	8,655	0	182,889
Public Safety Vehicles	439,141	400,075	155,000	684,216
Office Furniture and Fixtures	25,694	2,338	0	28,032
	<u>\$ 993,894</u>	<u>\$ 450,558</u>	<u>\$ 155,000</u>	<u>\$ 1,289,452</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

C. Long-Term Debt

The following is a summary of debt transactions of the Township of Banks for the year ended March 31, 2004:

Debt Payable at April 1, 2003	\$ 0
Debt Incurred	200,000
Debt Retired	<u>0</u>
Debt Payable at March 31, 2004	\$ <u>200,000</u>

Long-term debt at March 31, 2004 is comprised of the following:

Fire Truck Contract

\$200,000 Payable to Charlevoix State Bank due in annual installments of \$40,000 through May 1, 2008, interest at 1.65% below the prime adjusted annually

The annual requirements to amortize the debt outstanding as of March 31, 2004 including interest of \$15,600 computed at 2.6% are as follows:

<u>YEAR ENDING</u> <u>MARCH 31,</u>	<u>AMOUNT</u>
2005	\$ 45,200
2006	44,160
2007	43,120
2008	42,080
2009	<u>41,040</u>
	\$ <u>215,600</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

IV. OTHER INFORMATION

A. Property Taxes

The Township levied .9371 mills in tax on a taxable value of \$63,342,235 on the 2003 tax roll. In addition, the Township levied 1.9000 mills on real property value of \$61,918,735 for fire protection and levied .9847 mills on a taxable value of \$63,342,235 for road improvements.

The date of the levy was 12/1/03 at which time the taxes become an enforceable lien against the property. Taxes are due and payable to the Township treasurer on or before February 28. After February 28, the property taxes are payable to the Antrim County Treasurer. Property taxes levied December 1 which are collected prior to the end of the fiscal year are recognized as income in the year in which they are levied.

B. Interest Income and Expense

For the year ended March 31, 2004, interest income and expense was as follows:

	INTEREST	
	INCOME	EXPENSE
General Fund	\$ 1,840	\$ 0
Fire Fund	300	0
Municipal Street Fund	61	0
Total	\$ 2,201	\$ 0

NOTE - Interest income earned in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown as General Fund interest income.

C. Property Tax Administration Fee

The Township passed a resolution on September 19, 1983, to charge 1% administration fee on all ad valorem taxes levied after this date. Also, a late penalty fee of 3% shall be added after February 14th and shall terminate on the last day of February. The resolution is to continue in force and effect until revoked by the Township Board.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The Township has determined that authorized costs of tax collection will be repeatedly in excess of the revenues generated by the administration fee so that a restricted earnings account is not reflected in these statements.

D. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, and errors and omissions. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or the three prior years.

The Township continued to carry insurance for other risks of loss, including fidelity bonds and workers' compensation insurance.

E. Current Tax Collection Fund Balance

The balance of \$235,127 remaining in the Current Tax Collection Fund at March 31, 2004 was paid out after year end as follows:

Banks Township		
General Fund		
Current Tax		
Property Tax Administration Fees	\$	54,766
Commercial Forest		14,676
Dog License Fees		3
Penalties and Interest		17
Municipal Street Fund		606
Current Tax		
Commercial Forest		57,548
Fire Fund		4
Current Tax		
		108,507
	\$	<u>236,127</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	
Money Market Account	\$ 12,000
Certificates of Deposit	101,660
Taxes Receivable	50,749
	<u>4,583</u>
TOTAL ASSETS	<u>\$ 168,992</u>

LIABILITIES AND BALANCE

<u>LIABILITIES</u>	
Deferred Revenue	\$ 4,583
<u>BALANCE</u>	
Unreserved	<u>164,409</u>
TOTAL LIABILITIES AND BALANCE	<u>\$ 168,992</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 80,295	\$ 80,208	\$ (87)
Licenses and Permits	4,895	4,897	2
State Grants	93,050	93,128	78
Charges for Services	1,570	1,738	168
Interest and Rents	60,250	60,181	(69)
Other Receipts	605	606	1
Total Receipts	\$ 240,665	\$ 240,758	\$ 93
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 13,050	\$ 13,254	\$ (204)
General Government			
Supervisor	26,400	25,640	760
Election	300	300	0
Attorney	4,200	4,191	9
Clerk	13,000	12,670	330
Board of Review	971	971	0
Treasurer	16,200	16,064	136
Data Processing	5,500	3,230	2,270
Building and Grounds	57,150	57,144	6
Cemetery	17,600	17,578	22
Public Safety			
Fire Department	300	225	75
Public Works			
Street Lighting	1,883	1,883	0
Cleanup Day	8,200	8,182	18
Recycle and Waste	252	252	0
Health and Welfare			
Ambulance	3,500	3,500	0
Rescue Department	12,000	11,211	789

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
Community and Economic Development			
Planning and Zoning	20,900	20,838	62
Recreation and Cultural			
Recreation and Parks	4,500	4,366	134
Library	1,480	1,480	0
Other Functions			
Insurance and Bonds	3,822	3,822	0
Employee Benefits	6,507	6,495	12
Total Disbursements	\$ 217,715	\$ 213,296	\$ 4,419
Excess of Receipts Over (Under) Disbursements	\$ 22,950	\$ 27,462	\$ 4,512
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfer Out	(109,400)	(109,372)	28
Excess of Receipts Over (Under) Disbursements and Other Uses	\$ (86,450)	\$ (81,910)	\$ 4,540
<u>BALANCE</u> - April 1, 2003	246,319	246,319	0
<u>BALANCE</u> - March 31, 2004	\$ 159,869	\$ 164,409	\$ 4,540

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current Property Taxes	\$	52,956	
Delinquent Property Taxes		4,650	
Commercial Forest		8	
Summer Tax Reimbursement		4,730	
Penalties and Interest on Taxes		1,059	
Property Tax Administrative Fee		16,806	
Total Taxes			\$ 80,209

LICENSES AND PERMITS

Zoning Hearing Fees	\$	2,055	
Zoning Permit Fees		2,057	
Zoning Miscellaneous Income		110	
Parcel Division Fees		675	
Total Licenses and Permits			4,897

STATE GRANTS

State Revenue Sharing			
Sales Tax			93,128

CHARGES FOR SERVICES

Dog License Fees	\$	18	
Liquor Fund		400	
South Arm Township Rescue		300	
Sales - Cemetery Lots		550	
Atwood Cemetery Maintenance		50	
Recycle Coupons		420	
Total Charges for Services			1,738

INTEREST AND RENTS

Interest Earnings	\$	1,840	
Rents		4,800	
Tower Lease Fees		53,541	
Total Interest and Rents			60,181

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
FOR THE YEAR ENDED MARCH 31, 2004

OTHER RECEIPTS

Miscellaneous

\$ 250

Bond and Insurance Recovery

356

Total Other Receipts

606

TOTAL CASH RECEIPTS

\$ 240,759

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages

\$ 3,375

Supplies

Office Supplies

2,272

Other Services and Charges

Website Expense

5,150

Miscellaneous - Other

1,345

Capital Outlay

1,112

Total Legislative

\$ 13,254

GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages

\$ 23,480

Other Services and Charges

Miscellaneous - Other

2,160

Total Supervisor

\$ 25,640

Elections

Personal Services

Salaries and Wages

300

Attorney

Other Services and Charges

Contracted Services

4,191

Clerk

Personal Services

Salaries and Wages

\$ 11,737

Other Services and Charges

Miscellaneous - Other

933

Total Clerk

12,670

Board of Review

Personal Services

Salaries and Wages

\$ 855

Other Services and Charges

Miscellaneous - Other

116

Total Board of Review

971

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Treasurer			
Personal Services			
Salaries and Wages	\$	12,565	
Other Services and Charges			
Miscellaneous - Other		3,499	
Total Treasurer			16,064
Data Processing			
Other Services and Charges			
Support Agreement	\$	400	
Contracted Services		2,830	
Total Data Processing			3,230
Building and Grounds			
Personal Services			
Salaries and Wages	\$	3,641	
Other Services and Charges			
Equipment		725	
Repairs and Maintenance		984	
Miscellaneous - Other		9,966	
Capital Outlay		41,828	
Total Building and Grounds			57,144
Cemetery			
Personal Services			
Salaries and Wages	\$	8,911	
Supplies			
Operating Supplies		1,226	
Other Services and Charges			
Miscellaneous - Other		2,121	
Capital Outlay		5,320	
Total Cemetery			17,578
Total General Government			137,788
<u>PUBLIC SAFETY</u>			
Fire Department			
Personal Services			
Salaries and Wages			225

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

PUBLIC WORKS

Street Lighting		
Other Services and Charges		
Public Utilities	\$	1,883
Cleanup Day		
Other Services and Charges		
Contracted Services	\$	7,011
Printing and Publishing		463
Miscellaneous		708
Total Cleanup Day		8,182
Recycle and Waste		
Other Services and Charges		
Contracted Services		252
Total Public Works		10,317

HEALTH AND WELFARE

Ambulance		
Other Services and Charges		
Contracted Services	\$	3,500
Rescue Department		
Personal Services		
Salaries and Wages	\$	500
Supplies		
Operating Supplies		1,494
Other Services and Charges		
Education and Training		2,471
Transportation and Expense		6,350
Repair and Maintenance		397
Total Rescue Department		11,212
Total Health and Welfare		14,712

COMMUNITY AND ECONOMIC DEVELOPMENT

Planning and Zoning		
Personal Services		
Salaries and Wages	\$	6,745

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Other services and Charges		
Contracted Services	8,997	
Printing and Publishing	1,520	
Miscellaneous - Other	1,353	
Capital Outlay	<u>2,223</u>	
Total Community and Economic Development		20,838

RECREATION AND CULTURAL

Recreation and Parks		
Personal Services		
Salaries and Wages	\$ 1,229	
Supplies		
Operating Supplies	112	
Other Services and Charges		
Summer Recreation Program	3,000	
Miscellaneous - Other	<u>25</u>	
Total Recreation and Parks		\$ 4,366
Library		
Other Services and Charges		
Charlevoix Library	\$ 580	
Central Lake Library	560	
Jordan Valley Library	<u>340</u>	
Total Library		<u>1,480</u>
Total Recreation and Cultural		5,846

OTHER FUNCTIONS

Insurance and Bonds		\$ 3,802
Tax Tribunal Adjustment		19
Employee Benefits		
Medicare and Social Security	\$ 4,238	
Worker's Compensation	1,757	
Miscellaneous - Other	<u>500</u>	
To Total Employee Benefits		<u>6,495</u>
Total Other Functions		<u>10,316</u>
TOTAL CASH DISBURSEMENTS		\$ 213,296

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

OTHER FINANCING USES

Operating Transfers Out
Municipal Street Fund
Fire Fund

\$ 9,372
100,000

Total Other Financing Uses

109,372

TOTAL CASH DISBURSEMENTS AND OTHER
FINANCING USES

\$ 322,668

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

<u>ASSETS</u>	<u>MUNICIPAL STREET</u>	<u>FIRE</u>	<u>LIQUOR LAW ENFORCEMENT</u>
Cash			
Money Market Accounts	\$ 109	\$ 19,175	\$ 1,574
Taxes Receivable	4,815	8,990	0
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 4,924	\$ 28,165	\$ 1,574
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND BALANCE</u>			
<u>LIABILITIES</u>			
Deferred Revenue	\$ 4,815	\$ 8,990	\$ 0
	<hr/>	<hr/>	<hr/>
<u>BALANCE</u>			
Reserved for			
Fire Protection	\$ 0	\$ 19,175	\$ 0
Liquor Law Enforcement	0	0	1,574
Road Improvements	109	0	0
	<hr/>	<hr/>	<hr/>
Total Balance	\$ 109	\$ 19,175	\$ 1,574
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND BALANCE	\$ 4,924	\$ 28,165	\$ 1,574
	<hr/>	<hr/>	<hr/>

STATEMENT 5

<u>VEHICLE REPLACEMENT</u>	<u>TOTAL</u>
\$ 0	\$ 20,858
0	13,805
<u>\$ 0</u>	<u>\$ 34,663</u>
\$ 0	\$ 13,805
\$ 0	\$ 19,175
0	1,574
0	109
<u>\$ 0</u>	<u>\$ 20,858</u>
<u>\$ 0</u>	<u>\$ 34,663</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

	MUNICIPAL STREET	FIRE	LIQUOR LAW ENFORCEMENT
<u>RECEIPTS</u>			
Taxes	\$ 60,645	\$ 68,157	\$ 0
State Grants	938	0	1,100
Charges for Services	0	500	0
Interest and Rents	61	300	0
Other Receipts	0	10,408	0
Total Receipts	\$ 61,644	\$ 79,365	\$ 1,100
<u>DISBURSEMENTS</u>			
Public Safety			
Liquor Law Enforcement	\$ 0	\$ 0	\$ 1,175
Fire Department	0	438,857	0
Public Works			
Highway, Streets and Bridges	109,500	0	0
Total Disbursements	\$ 109,500	\$ 438,857	\$ 1,175
Excess of Receipts Over (Under) Disbursements	\$ (47,856)	\$ (359,492)	\$ (75)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfer In	\$ 9,372	\$ 100,000	\$ 0
Loan Proceeds	0	200,000	0
Total Other Financing Sources (Uses)	\$ 9,372	\$ 300,000	\$ 0
Excess of Receipts and Other Sources Over (Under) Disbursements	\$ (38,484)	\$ (59,492)	\$ (75)
<u>BALANCE - April 1, 2003</u>	38,593	78,667	1,649
<u>BALANCE - March 31, 2004</u>	\$ 109	\$ 19,175	\$ 1,574

STATEMENT 6

<u>VEHICLE REPLACEMENT</u>	<u>TOTAL</u>
\$ 0	\$ 128,802
0	2,038
0	500
0	361
0	10,408
<u>0</u>	<u>10,408</u>
<u>\$ 0</u>	<u>\$ 142,109</u>
\$ 0	\$ 1,175
22,000	460,857
0	109,500
<u>0</u>	<u>109,500</u>
<u>\$ 22,000</u>	<u>\$ 571,532</u>
<u>\$ (22,000)</u>	<u>\$ (429,423)</u>
\$ 0	\$ 109,372
0	200,000
<u>0</u>	<u>200,000</u>
<u>\$ 0</u>	<u>\$ 309,372</u>
\$ (22,000)	\$ (120,051)
22,000	140,909
<u>22,000</u>	<u>140,909</u>
<u>\$ 0</u>	<u>\$ 20,858</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

MUNICIPAL STREET FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

<u>ASSETS</u>	
Cash	
Money Market Account	\$ 109
Taxes Receivable	<u>4,815</u>
 TOTAL ASSETS	 <u>\$ 4,924</u>
 <u>LIABILITIES AND BALANCE</u>	
 <u>LIABILITIES</u>	
Deferred Revenue	\$ 4,815
 <u>BALANCE</u>	
Reserved for Road Improvements	<u>109</u>
 TOTAL LIABILITIES AND BALANCE	 <u>\$ 4,924</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

MUNICIPAL STREET FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes			
Current Property Taxes	\$ 62,550	\$ 55,646	\$ (6,904)
Delinquent Property Taxes	0	4,999	4,999
State Grants			
Metro Act Proceeds	937	938	1
Interest and Rents			
Interest Earnings	60	61	1
Total Receipts	\$ 63,547	\$ 61,644	\$ (1,903)
<u>DISBURSEMENTS</u>			
Public Works			
Contractual Services	109,500	109,500	0
Excess of Receipts Over (Under) Disbursements	\$ (45,953)	\$ (47,856)	\$ (1,903)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfer In-General Fund	9,372	9,372	0
Excess of Receipts and Other Financing Sources over (under) Disbursements	\$ (36,581)	\$ (38,484)	\$ (1,903)
<u>BALANCE - April 1, 2003</u>	38,593	38,593	0
<u>BALANCE - March 31, 2004</u>	\$ 2,012	\$ 109	\$ (1,903)

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

FIRE FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Money Market Account	\$ 19,175
Taxes Receivable	<u>8,990</u>
 TOTAL ASSETS	 \$ <u>28,165</u>

LIABILITIES AND BALANCE

LIABILITIES

Deferred Revenue	\$ 8,990
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BALANCE

Reserved for Fire Protection	<u>19,175</u>
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TOTAL LIABILITIES AND BALANCE	\$ <u>28,165</u>
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BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

FIRE FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes			
Current Property Taxes	\$ 114,280	\$ 62,383	\$ (51,897)
Delinquent Property Taxes	0	5,774	5,774
Charges for Services			
South Arm Township	500	500	0
Interest and Rents			
Interest Earnings	300	300	0
Other Receipts			
Miscellaneous	500	500	0
Sale of Vehicles	9,908	9,908	0
Total Receipts	\$ 125,488	\$ 79,365	\$ (46,123)
<u>DISBURSEMENTS</u>			
Public Safety			
Fire Department			
Personal Services			
Training	\$ 4,850	\$ 4,826	\$ 24
Officers Compensation	3,050	3,050	0
Meeting Reimbursement	4,500	4,165	335
Supplies			
Gasoline	1,000	966	34
Firemen's Gear	3,000	1,150	1,850
Other Supplies and Equipment	20,489	11,562	8,927
Other Services and Charges			
Insurance			
Property and Liability	16,006	16,006	0
Workers Compensation	700	676	24
Death and Disability	3,000	976	2,024
Repairs	2,000	1,410	590
Telephone	620	619	1
Building Maintenance and Utilities	5,050	5,161	(111)

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

FIRE FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
Yard Maintenance	1,500	1,387	113
Travel and Expense	7,300	7,293	7
Miscellaneous			
Other	1,650	1,536	114
Capital Outlay			
Vehicle Purchase	178,100	378,075	(199,975)
Total Disbursements	\$ 252,815	\$ 438,858	\$ (186,043)
Excess of Receipts Over (Under) Disbursements	\$ (127,327)	\$ (359,493)	\$ (232,166)
<u>OTHER FINANCING (USES)</u>			
Operating Transfer In - General Fund	\$ 100,000	\$ 100,000	\$ 0
Loan Proceeds	0	200,000	200,000
Total Other Financing Sources (Uses)	\$ 100,000	\$ 300,000	\$ 200,000
Excess of Receipts and Other Financing Sources (Uses) Over (Under) Disbursements	\$ (27,327)	\$ (59,493)	\$ (32,166)
<u>BALANCE</u> - April 1, 2003	78,667	78,667	0
<u>BALANCE</u> - March 31, 2004	\$ 51,340	\$ 19,174	\$ (32,166)

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

LIQUOR LAW ENFORCEMENT FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

	<u>ASSETS</u>	
Cash		
Money Market Account		<u>\$ 1,574</u>
	<u>BALANCE</u>	
Balance		
Reserved for Liquor Law Enforcement		<u>\$ 1,574</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
State Grants			
State Shared Revenue			
Liquor License Fees	\$ 1,100	\$ 1,100	\$ 0
<u>DISBURSEMENTS</u>			
Public Safety			
Liquor Law Enforcement			
Inspector Fees	\$ 900	\$ 775	\$ 125
Administration Fees	400	400	0
Total Disbursements	\$ 1,300	\$ 1,175	\$ 125
Excess of Receipts Over (Under) Disbursements	\$ (200)	\$ (75)	\$ 125
<u>BALANCE - April 1, 2003</u>	1,649	1,649	0
<u>BALANCE - March 31, 2004</u>	\$ 1,449	\$ 1,574	\$ 125

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

VEHICLE REPLACEMENT FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

	<u>ASSETS</u>	
Cash		
Money Market Account		<u>\$ 0</u>
	<u>LIABILITIES AND BALANCE</u>	
<u>LIABILITIES</u>		\$ 0
<u>BALANCE</u>		
Reserved for Fire Vehicle Replacement		<u> 0</u>
TOTAL LIABILITIES AND BALANCE		<u>\$ 0</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

VEHICLE REPLACEMENT FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Interest and Rents			
Interest Earnings	\$ 0	\$ 0	\$ 0
<u>DISBURSEMENTS</u>			
Public Safety			
Fire Department			
Capital Outlay	22,000	22,000	0
Excess of Receipts Over (Under) Disbursements	\$ (22,000)	\$ (22,000)	\$ 0
<u>BALANCE</u> - April 1, 2003	22,000	22,000	0
<u>BALANCE</u> - March 31, 2004	\$ 0	\$ 0	\$ 0

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Money Market Account	\$ 236,127

BALANCE

Balance	\$ 236,127
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BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections	\$ 1,577,767	
Delinquent Tax Collections	645	
Late Payment Penalty	993	
Commercial Forest Reserve	177	
Property Tax Administration Fee	14,675	
Dog License Fees	91	
Interest Earnings	463	
Adjustments and Overcollections	<u>3,271</u>	
Total Receipts		\$ 1,598,082

DISBURSEMENTS

Payments to County Treasurer		
Current Tax	\$ 363,411	
Current Tax - State Education Tax	301,794	
Delinquent Tax	232	
Commercial Forest Reserve	155	
Late Payment Penalty	541	
Dog License Fees	<u>74</u>	\$ 666,207
Payments to Township Treasurer		
Current Tax - 2002 Tax Roll		
General Fund	\$ 52,956	
Fire Fund	62,383	
Road Fund	55,646	
Property Tax Administration Fee	15,489	
Late Payment Penalty	452	
Dog License Fees	<u>18</u>	186,944

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

Payments to School Treasurer

Current Tax

Central Lake Public Schools	\$ 575
Charlevoix Public Schools	70,795
Ellsworth Community School	463,290

Delinquent Tax

Ellsworth Community School	362
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Commercial Forest Reserve

Ellsworth Community School	5	535,027
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Payments to Intermediate School Treasurer

Current Tax	\$ 156,947
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Delinquent Tax	51
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Commercial Forest Reserve	10	157,008
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Payments to District Library

Central Lake District Library	135
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Refund to Taxpayers for Overcollections	3,368
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Total Disbursements

1,548,689

Excess of Receipts Over

(Under) Disbursements

\$ 49,393

BALANCE - April 1, 2003

186,734

BALANCE - March 31, 2004

\$ 236,127

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/2003	ADDITIONS	DELETIONS	BALANCE 3/31/2004
<u>GENERAL FIXED ASSETS</u>				
Land and Buildings	\$ 354,825	\$ 39,490	\$ 0	\$ 394,315
Machinery and Equipment	174,234	8,655	0	182,889
Public Safety Vehicles	439,141	400,075	155,000	684,216
Office Furniture and Fixtures	25,694	2,338	0	28,032
	<u>\$ 993,894</u>	<u>\$ 450,558</u>	<u>\$ 155,000</u>	<u>\$ 1,289,452</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 993,894</u>	<u>\$ 450,558</u>	<u>\$ 155,000</u>	<u>\$ 1,289,452</u>

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

STATEMENT OF 2003 TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County	\$ 393,820	
County - State Education Tax	316,707	
Township		
Operating	59,349	
Fire	117,496	
Roads	62,363	
Schools		
Central Lake Public Schools	629	
Charlevoix Public Schools	72,112	
Ellsworth Community School	509,104	
Intermediate School	170,080	
District Library	147	\$ 1,701,807

TAXES COLLECTED

County	\$ 363,410	
County - State Education Tax	301,794	
Township		
Operating	54,766	
Fire	108,506	
Roads	57,548	
Schools		
Central Lake Public Schools	576	
Charlevoix Public Schools	70,795	
Ellsworth Community School	463,290	
Intermediate School	156,947	
District Library	135	1,577,767

TAXES RETURNED DELINQUENT

County	\$ 30,410	
County - State Education Tax	14,913	
Township		
Operating	4,583	
Fire	8,990	
Roads	4,815	
Schools		
Central Lake Public Schools	53	
Charlevoix Public Schools	1,317	
Ellsworth Community School	45,814	
Intermediate School	13,133	
District Library	12	\$ 124,040

134 WEST HARRIS STREET
CADILLAC, MICHIGAN 49601
231-775-9789
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1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

June 3, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Banks Township
Antrim County
Ellsworth, Michigan

During the course of our audit of the general-purpose financial statements of Banks Township for the year ended March 31, 2004, we noted the following items:

Budgeting

Except for not budgeting for loan proceeds for a fire truck purchase, the Township is doing an excellent job of complying with Act 621 of the Public Acts of 1978, The Uniform Budgeting and Accounting Act.

General Recordkeeping

The accounting records being maintained for the year ended March 31, 2004, were found to be in good order and in compliance with the State's uniform accounting system. We commend the clerk and treasurer for their fine effort.

Government Accounting Standards Board (GASB) Statement 34

GASB has issued its new financial accounting model for governmental entities. This pronouncement will become effective for Banks Township for its fiscal year ending March 31, 2005. The most significant change will be the requirement to report cost and depreciation information for fixed assets such as buildings and equipment. The Board should be taking steps to accumulate and update this information in the near future. We are available to advise you on how to proceed with this process.

Reportable Condition in Internal Controls

In planning and performing our audit of the general-purpose financial statements of Banks Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements.

Certain matters considered to be reportable conditions in internal control were noted. We are issuing a separate letter (letter of reportable conditions) which addresses those items noted.

We would like to thank the Board for its continued confidence in our firm and to thank the Township clerk and treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

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June 3, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Banks Township
Antrim County
Ellsworth, Michigan

In planning and performing our audit of the general-purpose financial statements of Banks Township, Antrim County, Ellsworth, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.